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DCI-IC 76-1916

22 January 1976

MEMORANDUM FOR: Chairman ICS KEP Review Group

SUBJECT : Essential Elements for Community Performance
Evaluation

1. The central, unchanging objective of the DCI's KIQ(s) performance evaluation process (KEP) has been to relate outcome and performance to priorities and resource allocation. After a two year maturation period this process now includes Key Intelligence Questions, collection and production plans to fulfill the questions (KIQ Strategies), and a process to evaluate IC performance both in an absolute sense and in relation to the tasks and undertakings set forth in the strategies.

2. Although the KIQs have been, and are, the DCI's creation, the Community, understanding their purpose and the method by which they are formulated, has come to accept them as a "given."

3. Similarly, the Community has accepted the desirability and potential utility of an optimized IC collection and production plan for each KIQ--a KIQ Strategy--as a "given."

4. The Community also accepts as a "given," the DCI's need to evaluate IC performance on a significant portion of its primary endeavor,--addressing, and hopefully answering, each year's KIQs.

5. There is a fundamental disagreement however concerning the scope and detail of such an evaluation. One school contends that evaluation should be limited to an assessment of the performance of individual agencies, and the Community, on individual KIQs. The other school believes, with equal conviction, that to achieve the DCI's objectives the efforts and achievement of each agency and program must

* USIB was asked to review and comment on them, but not to approve them--the latter function being reserved to the NSCIC.

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be aggregated and analyzed in program and NFIP terms. These differences were crystalized, and compromised, in a series of ICS-NIO meetings in February and March of last year.* Since the underlying issues are still unsettled, it may be informative to review the attached excerpts from a 5 March 1975 MPRRD memo on the subject.

6. Decisions stemming from these deliberations; the direction and consensus of the 11 November 1975 IRAC meeting and the DCI's consistent desire credibly to link outcome and performance to priorities and resource allocations persuades us that another "given" is that KIQ tasks, commitments, achievements and associated resource expenditures will be aggregated and analyzed at the program and NFIP level.

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Distribution:

Orig.--Addressee

1--MPRRD Chrono

1--Official Corres. File

①--Subject File

1-- [Redacted] Chrono

1-- [Redacted] Chrono

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1--IC Registry

25X1

* (Jointly approved FY-75 KIQ Guidance and Performance Reporting Instructions were issued on 9 June.)

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5 March 75

MEMORANDUM FOR: D/DCI/IC

SUBJECT : FY-75 KEP

1. Pursuant to the arrangements you made with George Carver,
25X1 [] (NIO/Econ) and [] (Asst. NIO/LA) met with 25X1
members of MPRRD on 26 February to explore heretofore un-
reconcilable differences on performance evaluation. At that
25X1 meeting [] indicated that the NIOs agreed that
there would be a KEP in one form or another-that KEP's
existence could not be at issue.

2. We have carefully explored both approaches to
"identify areas of agreement and disagreement" and have
reached the conclusion that:

- We agree that the evaluation process involves
two separate, but closely related functions
which need to be standardized in outline and
use a common lexicon of evaluative terms.

(1) Evaluation of IC performance in accordance with the plan, and commitments, set forth in the strategies.

(2) Linking resources expended in pursuit of the strategy to the degree of KIQ fulfillment.

- We agree that the first function is a NIO responsibility. We also agree that the second, being a resources problem is an ICS responsibility and that ICS should structure and manage the data call.
- We agree that both functions, being part of the same process have to be brought together, but seem to disagree on how and by whom.
- We do not agree on the level of detail required for a credible process, or the need for numerical quantification.
- While both the ICS and NIOs agreed that some of the strategies already contain

what they identify as "specific collection/production tasks/objectives" which we have termed "key needs", we disagree on how these should be handled in the performance report.

- ICS believes that IC performance and costs should be treated at the "key need" or "specific collection/production tasks/objectives" level, and be quantified numerically to maximize our chances of establishing the link between substance resources.
- The NIOs believe that IC performance should be evaluated in narrative form against "specific collection/production tasks" only where the adequacy of performance differs substantially from overall adequacy of community performance against the whole KIQ (i.e., on an exception basis.)
- We are uncomfortable with the notion that each NIO must decide for himself

what "substantial" means; it does not permit us, in performing aggregate analysis to identify a "significant" situation characterized perhaps by a large number of small deviations (e.g., ten dimes add to a dollar unless you're only counting halves).

- The NIOs contend that credible numerical quantification is not possible and consequently is neither desirable nor useful in the process. They further believe that the ICS methodology is excessively elaborate for the validity of obtainable data.

- We do not agree on the need for specific solicitation and reflection of consumer satisfaction.

- The ICS believes that this is a vital element of the evaluation process--one that should (if possible) be carried out by the NSCIC Working Group to preserve process objectivity.

- The NIOs believe that the reaction of major consumers should be discussed where this reaction is at variance with NIO perceptions

Given PRD's decision to exclude itself from all KEP activities, we do not agree on the need for the NIOs' undertaking the additional task of evaluating the Relative Production contribution of major IC elements.

- The ICS believes KIQ fulfillment judgments require only that NIOs have a clear perception of the Community's total information gain vis-a-vis KIQ particulars. The task as stated by the NIOs would require a detailed review of a minimum of 250-300 individual agency products and all current intelligence which, while making NIOs intimately familiar with the total spectrum of KIQ-related IC production, is neither essential to the evaluation process nor desirable in that it would unnecessarily duplicate

PRD's RONI and other ongoing product evaluation efforts.

- NIO rationale for including this step in their assessment methodology is unclear since individually many NIOs have consistently rejected the thesis that they should be involved in any way in evaluating individual agency production.

- We have one further apparent disagreement-one which turns on the purpose of the entire process.

- The ICS believes the purpose of the KEP is to evaluate the performance of the Community on all the KIQs, drawing therefrom information which will be useful in the resources allocation processes. Comparing and contrasting agency/program performance on individual KIQs (and NIO areas) and aggregate analysis of Community performance on all KIQs are fundamental to this purpose.

- The NIOs do not appear to appreciate the need or perceive the associated analytical requirements, noting "although we cannot agree that an elaborate summary of each narrative evaluation would be useful at this time, we understand your need to be able to abstract these reports" and hence "hope the proposed standard narrative outline and lexicon will satisfy this need."

4. In elaborating the NIO approach, Bob suggested yet another meeting of NIO/ICS principals to discuss such problems as we may have with his prepared Performance Assessment methodology. As you can see from the foregoing, the residual "problems" are of a fundamental nature; further staff meetings can only prolong what has already been an unconscionably long delay in deciding the nature of the FY-75 KEP. Accordingly, I think we should seek an early audience with Bill to get this show on the road in whatever form, and with whatever advertising he decides.